

Exhibit 1



David P. Joyce
Gauga County Prosecuting Attorney

MEMORANDUM

TO: Ohio County Prosecuting Attorneys

FROM: David P. Joyce
Prosecuting Attorney for Gauga County

Christian Siebott
Bernstein Liebhard LLP

DATE: January 6, 2012

SUBJECT: *State of Ohio, ex rel. David P. Joyce Prosecuting Attorney of Gauga County, Ohio v. MERSCORP, Inc., et al.*, 11-cv-02474

I. The MERS Litigation

In October 2011, Gauga County Prosecuting Attorney David P. Joyce filed a class action lawsuit on behalf of itself and all Ohio counties against MERSCORP, Mortgage Electronic Registration System, Inc., and various MERS members involved in the mortgage and banking industries. In the mid-1990s, the mortgage industry created MERS to make huge profits by escaping the fees associated with recording each time they transferred a mortgage. To accomplish this, lenders permanently list MERS as the “mortgagee of record” – instead of themselves – in county land records, in order to maintain priority of their mortgage interests and avoid paying recording fees every time they assigned such mortgages interests.

The complaint alleges that defendants' failure to record each mortgage assignment violated Ohio's recording statute and deprived Ohio counties of tens of millions of dollars in recording fees. Similar class actions have been brought by counties all over the country, such as Oklahoma, Michigan, Texas, Pennsylvania, Florida, and Kentucky.

II. Current Status of the MERS Litigation

The case is still in its early stages of litigation. Originally before Judge Forrest Burt in the Geauga County Court of Common Pleas, the defendants recently removed the case to the United States District Court for the Northern District of Ohio. We will be filing an amended complaint and motion to remand on January 17, 2011, and the first pretrial conference is scheduled for January 26, 2012.

III. Your County

Your County is a putative class member because this case was filed as a class action, protecting the rights of all Ohio counties. As a putative class member, you can monitor the litigation without being required to do anything since your County's interests are represented by Geauga County and class counsel, Bernstein Liebhard LLP. If the court certifies the case as a class action, your County will then have the opportunity to decide whether to participate as a class member or to opt-out. This way your County can simply wait to see how the case unfolds before deciding what is in your County's best interest. If class certification is denied, your County's rights will not be prejudiced and your County can, at that time, decide whether to pursue its own litigation. Your County may also want to join the litigation as a named party now. The benefit in this course of action is that your County could participate in litigation strategy with the named plaintiff and class counsel.

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Bernstein Liebhard represents counties in Oklahoma litigation and is advising counties in other states as well. The firm has vast experience representing public entities, such as states and municipalities, in complex litigation. If you would like to join the litigation as a named party or discuss your options further with class counsel, please call Christian Siebott of Bernstein Liebhard at 212-779-1414 or email to siebott@bernlieb.com.

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